

FISCAL NOTE

HB 2316 - SB 2565

February 2, 2000

SUMMARY OF BILL: Creates the "Streamlined Sales Tax System for the Twenty First Century Act". The commissioner of revenue is to enter into discussions with states to develop a multi-state, voluntary, streamlined system for sales and use tax collection and administration in regards to sales through electronic commerce. Authorizes the commissioner of revenue to participate in a sales tax pilot project with other states and selected businesses to test means for simplifying sales and use tax administration. Provides that the joint select committee on business taxes shall provide oversight of any pilot project. Requires a report by the commissioner of revenue to the governor, speakers of the house and senate, minority leaders of the house and senate and the joint select committee on business taxes by March 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Cost to participate in the development of a proposed system is estimated to be not significant.

Note: If the state chooses to participate in a pilot project, there is the potential for a significant increase in revenues from collection of state and local sales and use taxes from the sale of items through electronic commerce. The amount of such collections would depend on the number of states and businesses participating in the pilot project. Any increased administrative cost to participate in the project is estimated to be less than revenues that would be collected as a result of participating in the project.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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